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10 CHAIRPERSON JAMES:

11 Dave Railsback:

12 MR. RAILSBACK: Good afternoon and welcome  
13 to Boston on St. Patrick's Day. My name is Dave  
14 Railsback, I'm the chief financial officer and  
15 Assistant Lottery Director of the Massachusetts State  
16 Lottery. I've had the pleasure of working for State  
17 Treasurer Joe Malone for more than seven years, first  
18 as a deputy state treasurer and for the past two years  
19 at the Lottery.

20 If I had to sum up my impression of the  
21 Massachusetts State Lottery in one word, it would be  
22 commitment. It is an organization of 390 people who  
23 are committed to excellence on several levels. First,  
24 we are committed to offering our players the best

1 products that we can. This includes the highest prize  
2 percentage paid by any lottery in the country. The  
3 result is that we also have the highest per capita  
4 sales of any lottery in the country.

5               Second, we are committed to our sales  
6 agents. the retailers who sell our products. We pay  
7 them the largest average annual commissions in the  
8 lottery industry.

9               Third, we are committed to being socially  
10 responsible. We have made nationally recognized  
11 efforts in both compulsive and underage gambling. Last  
12 year we were awarded our state's top award for our  
13 recycling initiatives.

14              Fourth and finally, we are committed to  
15 making as much money as possible available to our  
16 state's 351 cities and towns, by operating efficiently  
17 and keeping our costs down. We are proud that we are  
18 the most efficient lottery in the country. Our  
19 expenses are only 2.2 percent of our sales, compared to  
20 the national average of over six percent. This fiscal  
21 year, we will spend less on administration than the  
22 Lottery did in fiscal year 1989, when our sales were  
23 only half of what they are today.

1           We have used technology, re-engineering and  
2 just good old common sense to get there. We have  
3 reduced personnel by 25 percent, upgraded our  
4 technology, and streamlined every one of our  
5 departments. We know that every dollar we save goes  
6 right to the bottom line to help our cities and towns.  
7 From our smallest initiatives to the largest, we work  
8 hard every day to help make Massachusetts a better  
9 place to live for all our citizens.

10           Thank you for the opportunity to speak  
11 today.

12           CHAIRPERSON JAMES: Thank you.